



CALIFORNIA BOARD OF ACCOUNTANCY

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Regulation Notice from

UPDATE #58

March 2, 2006

Regulation Notice

TITLE 16. CALIFORNIA BOARD OF ACCOUNTANCY

NOTICE IS HEREBY GIVEN that the California Board of Accountancy is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Hilton San Jose, 300 Almaden Blvd., in San Jose, CA 95110 at 11:00 a.m., on May 19, 2006. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the California Board of Accountancy at its office no later than 5:00 p.m. on May 18, 2006, or must be received by the California Board of Accountancy at the hearing. If submitted at the hearing, it is requested, although not required, that 25 copies be made available for distribution to Board members and staff. The California Board of Accountancy, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposal if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Sections 5010 and 5018 of the Business and Professions Code and to implement, interpret or make specific Sections 122, 163, and 5134 of the Business and Professions Code, the California Board of Accountancy is considering changes to Division 1 of Title 16 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Amend Section 70 of Title 16 of the California Code of Regulations.

Section 5010 of the Business and Professions Code authorizes the California Board of Accountancy to adopt regulations for the orderly administration of the Accountancy Act. Business and Professions Code Section 5134 specifies the maximum fees that may be charged by the Board and provides that the biennial renewal fee be fixed by the Board so that the reserve balance in the Board's contingent fund shall be equal to approximately nine months of annual authorized expenditures.

Current Section 70 provides for a \$200 fee for the initial permit to practice and for biennial renewal of the permit to practice. This proposal would lower these fees to \$120 commencing on January 1, 2007, and ending on December 31, 2010. Commencing on January 1, 2011, these fees would be restored to the previous \$200 level unless a review to be conducted in 2009 indicates lower fees are necessary to make the balance in the Board's contingent fund equal to approximately nine months of annual authorized expenditures. The objective of this proposal is to achieve and maintain a balance in the Board's contingent fund that is equal to approximately nine months of annual authorized expenditures.

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

It is anticipated that adoption of this proposal will enable the Board to achieve and maintain its contingent fund at an amount that is equal to approximately nine months of annual authorized expenditures.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None.

Business Impact:

The California Board of Accountancy has made an initial determination that the proposed regulatory action would have no statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

AND

The following studies were relied upon in making that determination: None.

Impact on Jobs/New Businesses:

The California Board of Accountancy has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Cost Impact on Representative Private Person or Business:

The California Board of Accountancy has made a determination that the proposed regulatory action will result in a cost savings to licensees.

Effect on Housing Costs: None.

EFFECT ON SMALL BUSINESS

The California Board of Accountancy has determined that the proposed regulations would affect small businesses.

CONSIDERATION OF ALTERNATIVES

The California Board of Accountancy must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposal described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

INITIAL STATEMENT OF REASONS AND INFORMATION

The California Board of Accountancy has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the California Board of Accountancy at 2000 Evergreen Street, Suite 250, Sacramento, California 95815.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the Web site listed below.

CONTACT PERSON

Inquiries or comments concerning the proposed administrative action may be addressed to:

Name:	Aronna Wong
Address:	California Board of Accountancy 2000 Evergreen Street, Suite 250 Sacramento, CA 95815
Telephone No.:	(916) 561-1788
Fax No.:	(916) 263-3675
E-Mail Address:	awong@cba.ca.gov

The backup contact person is:

Name:	Mary Crocker
Address:	California Board of Accountancy 2000 Evergreen Street, Suite 250 Sacramento, CA 95815
Telephone No.:	(916) 561-1713
Fax No.:	(916) 263-3675
E-Mail Address:	mcrocker@cba.ca.gov

Inquiries concerning the substance of the proposed regulations may be directed to Aronna Wong at (916) 561-1788.

Web site access: Materials regarding this proposal can be found at www.dca.ca.gov/cba.

TEXT OF PROPOSAL

70. Fees.

(a) ~~(1) Commencing July 1, 2002, the fees to be charged each California applicant for the paper and pencil certified public accountant examination, including each applicant for re-examination, shall be an application fee of \$60 and a fee of \$36 for each part of the examination requested by the applicant.~~

~~(2) The fee to be charged each applicant from another state who sits for the paper and pencil certified public accountant examination in California shall be a total of \$75.~~

~~(3) Commencing January 23, 2004 the~~ The fee to be charged each California applicant for the computer-based Uniform Certified Public Accountant Examination, shall be an application fee of \$100 for issuance of the Authorization to Test to first-time applicants and an application fee of \$50 for issuance of the Authorization to Test to repeat applicants.

~~(b) Commencing July 1, 2001, the~~ The fee to be charged each applicant for issuance of a certified public accountant certificate shall be \$250.

(c) The fee to be charged each applicant for registration, including an applicant for registration under a new name as a partnership or as a corporation, shall be \$150.

~~(d) (1) Commencing July 1, 2000~~ January 1, 2007, the fee to be charged each applicant for the initial permit to practice as a partnership, a corporation, or a certified public accountant shall be \$200 ~~\$120.~~

(2) Commencing January 1, 2011, the fee to be charged each applicant for the initial permit to practice as a partnership, a corporation, or a certified public accountant shall be \$200 unless subsection (h) applies.

~~(e) (1) Commencing July 1, 2000~~ January 1, 2007, the fee to be charged each applicant for renewal of a permit to practice as a partnership, a corporation, a public accountant, or a certified public accountant shall be \$200 ~~\$120.~~

(2) Commencing January 1, 2011, the fee to be charged each applicant for renewal of a permit to practice as a partnership, a corporation, or a certified public accountant shall be \$200 unless subsection (h) applies.

(f) The fee for the processing and issuance of a duplicate copy of a certificate of licensure or registration shall be \$10.

(g) The fee for processing and issuance of a duplicate copy of a registration, or permit or other form evidencing licensure or renewal of licensure shall be \$2.

(h) By July 1, 2009, the Board shall conduct a review of its actual and estimated revenue and expenditures. Based on this review, the Board shall determine the appropriate level of fees for the initial permit to practice pursuant to subsection (d) and renewal of the permit to practice pursuant to subsection (e) in order to maintain the Board's contingent fund reserve balance at an amount equal to approximately nine months of annual authorized expenditures. If the Board determines that fees of less than \$200 are indicated, the Board shall fix the fees by regulation at the indicated amounts on or before January 1, 2011.

NOTE: Authority cited: Section 5010 and 5018, Business and Professions Code. Reference: Sections 122, 163 and 5134, Business and Professions Code.